### Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)
Restoring Internet Freedom	) WC Docket No. 17-108
	)
	)

### COMMENTS OF THE LIFELINE CONNECTS COALITION

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#### **SUMMARY**

The Lifeline Connects Coalition (Coalition), by and through the undersigned counsel, respectfully submits these comments in response to the Commission's Restoring Internet Freedom Notice of Proposed Rulemaking (NPRM) seeking comments on reinstating the information service classification of broadband Internet access services. The Coalition's comments are focused on supporting the Commission's proposal in a single paragraph in the NPRM regarding the potential impact of reclassification on the Commission's Lifeline program to "maintain support for broadband in the Lifeline program after reclassification."

The Commission may have presented the clearest path to support for broadband services through the Lifeline program in the Lifeline Modernization Order with broadband as a Title II common carrier service treated as a supported service.<sup>3</sup> However, the Commission can also, as it has proposed, maintain support for broadband in the Lifeline program after reclassification by following the legal authority path outlined in the Universal Service Transformation Order to support broadband through the Connect America Fund (CAF).<sup>4</sup> In the NPRM, the Commission correctly refers to the Universal Service Transformation Order in its proposal to "require Lifeline carriers to use Lifeline support 'for the provision, maintenance, and upgrading' of broadband services and facilities capable of providing supported services."<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> See Restoring Internet Freedom, WC Docket No. 17-108, Notice of Proposed Rulemaking, FCC 17-60 (rel. May 23, 2017) (NPRM).

 $<sup>^{2}</sup>$  *Id*. ¶ 68.

<sup>&</sup>lt;sup>3</sup> See Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (2016) (Lifeline Modernization Order).

<sup>&</sup>lt;sup>4</sup> See Connect America Fund, et al., WC Docket No. 10-90, et al., Report and Order, Further Notice of Proposed Rulemaking, FCC 11-161 (2011) (Universal Service Transformation Order).

<sup>&</sup>lt;sup>5</sup> NPRM ¶ 68.

Section 254 of the Communications Act of 1934, as amended (the Act) and applicable Commission and court precedent authorizes the Commission to support not just broadband facilities, but services as well, which dovetails with the Commission's longstanding forbearance policy that does not require Lifeline eligible telecommunications carriers (ETCs) to provide supported services using their own facilities. The Coalition supports the petitions for reconsideration of the Commission's decision to phase out support for Lifeline voice, however, Commission precedent also allows the agency to use universal service funds to support standalone broadband services, so the Commission can continue to condition Lifeline support on the provision of broadband service even after support for Lifeline voice telephony service is phased out.

Finally, in addition to the express authority in section 254 to support Lifeline broadband, the Commission has Title I ancillary authority to support Lifeline broadband. Broadband is within the Commission's general jurisdictional grant in Title I and supporting Lifeline broadband would be reasonably ancillary to the Commission's statutorily mandated responsibility to ensure that all consumers, including low-income consumers, have access to advanced telecommunications and information services.

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The Commission may have presented the clearest path to support for broadband services through the Lifeline program in the Lifeline Modernization Order with broadband as a Title II

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<sup>&</sup>lt;sup>6</sup> See Restoring Internet Freedom, WC Docket No. 17-108, Notice of Proposed Rulemaking, FCC 17-60 (rel. May 23, 2017) (NPRM).

<sup>&</sup>lt;sup>7</sup> *Id*. ¶ 68.

common carrier service treated as a supported service.<sup>8</sup> However, the Commission can also, as it has proposed, maintain support for broadband in the Lifeline program after reclassification by following the legal authority path outlined in the Universal Service Transformation Order to support broadband through the Connect America Fund (CAF).<sup>9</sup> In the NPRM, the Commission correctly refers to the Universal Service Transformation Order in its proposal to "require Lifeline carriers to use Lifeline support 'for the provision, maintenance, and upgrading' of broadband services and facilities capable of providing supported services."<sup>10</sup>

Section 254 of the Communications Act of 1934, as amended (the Act) and applicable Commission and court precedent authorizes the Commission to support not just broadband facilities, but services as well, which dovetails with the Commission's longstanding forbearance policy that does not require Lifeline eligible telecommunications carriers (ETCs) to provide supported services using their own facilities. The Coalition supports the petitions for reconsideration of the Commission's decision to phase out support for Lifeline voice, however, Commission precedent also allows the agency to use universal service funds to support standalone broadband services, so the Commission can continue to condition Lifeline support on the provision of broadband service even after support for Lifeline voice telephony service is phased out.

Finally, in addition to the express authority in section 254 to support Lifeline broadband, the Commission has Title I ancillary authority to support Lifeline broadband. Broadband is

<sup>&</sup>lt;sup>8</sup> See Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (2016) (Lifeline Modernization Order).

<sup>&</sup>lt;sup>9</sup> See Connect America Fund, et al., WC Docket No. 10-90, et al., Report and Order, Further Notice of Proposed Rulemaking, FCC 11-161 (2011) (Universal Service Transformation Order).
<sup>10</sup> NPRM ¶ 68.

within the Commission's general jurisdictional grant in Title I and supporting Lifeline broadband would be reasonably ancillary to the Commission's statutorily mandated responsibility to ensure that all consumers, including low-income consumers, have access to advanced telecommunications and information services.

## I. THE CHAIRMAN AND COMMISSIONERS HAVE EXPRESSED UNANIMOUS SUPPORT FOR LIFELINE BROADBAND

Chairman Pai and Commissioners Clyburn and O'Rielly have all expressed support for Lifeline broadband. In a recent statement, Chairman Pai confirmed "I support including broadband in the Lifeline program to help provide affordable, high-speed Internet access for our nation's poorest families." He further assured low-income Americans that "Going forward, I want to make it clear that broadband will remain in the Lifeline program so long as I have the privilege of serving as Chairman." Even in his dissent to the Lifeline Modernization Order, then Commissioner Pai noted his view that "modernizing the Lifeline program to support affordable, high-speed Internet access for our nation's poorest families is a worthy goal." Also in dissent, Commissioner O'Rielly stated, "For over a year, I argued that there is a viable path to reform the Lifeline program in a way that garners bipartisan support at the Commission. The program would shift to include support for broadband service...."

For her part, Commissioner Clyburn has been a staunch supporter of the Lifeline program, including modernization of the program to support broadband services. She recently declared, "We have a statutory obligation as a Commission to ensure all Americans, including

<sup>&</sup>lt;sup>11</sup> FCC News Release, Statement of FCC Chairman Ajit Pai On the Future of Broadband in the Lifeline Program, Mar 29, 2017.

<sup>&</sup>lt;sup>12</sup> Id.

<sup>&</sup>lt;sup>13</sup> Lifeline Modernization Order, Dissenting Statement of Commissioner Ajit Pai, 1.

<sup>&</sup>lt;sup>14</sup> *Id.*, Dissenting Statement of Commissioner Michael O'Rielly, 1.

low income consumers and those living in rural and insular areas, have affordable voice and broadband access."<sup>15</sup>

II. IF THE COMMISSION DOES REINSTATE THE INFORMATION SERVICE CLASSIFICATION OF BROADBAND, IT SHOULD MAINTAIN SUPPORT FOR LIFELINE BROADBAND BY FOLLOWING THE LEGAL AUTHORITY SET FORTH IN THE UNIVERSAL SERVICE TRANSFORMATION ORDER REGARDING CONNECT AMERICA FUND SUPPORT FOR BROADBAND

If the Commission decides to reinstate the information service classification of broadband in this proceeding, it can continue to support Lifeline broadband pursuant to the provisions of section 254 of the Act as applied by the Commission in the Universal Service Transformation Order to support broadband services and facilities with Connect America Funds, which was upheld by the Court of Appeals for the Tenth Circuit. Specifically, the Commission should condition receipt of Lifeline funds on Lifeline ETCs continuing to provide broadband service.

A. The Commission Has a Statutory Obligation to Ensure That Low-Income Consumers Have Access to Advanced Telecommunications and Information Services (Broadband)

The Commission's obligation and authority to support Lifeline broadband emanates from several provisions of section 254 of the Communications Act, as amended. First, section 254(b) states that "the Commission *shall* base policies for the preservation and advancement of universal service on the following principles." One of those principles states, "Consumers in all regions of the Nation, including low-income consumers...should have access to telecommunications and information services, including...advanced telecommunications and

<sup>&</sup>lt;sup>15</sup> FCC News Release, Statement of Commissioner Clyburn on the Government Accountability Office's Lifeline Report (June 29, 2017).

<sup>&</sup>lt;sup>16</sup> 47 U.S.C. § 254(b) (emphasis added).

information services...." As recently as last year, the Commission has referred to this principle as a "statutory mandate of ensuring that all consumers 'have access to...advanced telecommunications and information services." In addition, in the Universal Service Transformation Order, the Commission adopted a new universal service principle pursuant to section 254(b)(7). 19 which is "Support for Advanced Services – Universal service support should be directed where possible to networks that provide advanced services, as well as voice services "20

Second, section 254(c) defines universal service as "an evolving level of telecommunications services" and directs the Commission in section 254(c)(1) to establish supported services "taking into account advances in telecommunications and information technologies and services."<sup>21</sup> Finally, section 254(e) provides that only ETCs may receive specific federal universal service support, and that "[a] carrier that receives such support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."22 As discussed in detail below, the Court of Appeals for the Tenth Circuit has held that these provisions provide broad authority to the Commission to determine what a recipient may or must do with the universal service funds.

<sup>&</sup>lt;sup>17</sup> 47 U.S.C. § 254(b)(3).

<sup>&</sup>lt;sup>18</sup> Connect America Fund, et al., WC Docket No. 10-90, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 16-33 (rel. Mar. 30, 2016) (2016 CAF Order).

<sup>&</sup>lt;sup>19</sup> Section 254(b)(7) allows the Commission to establish "Such other principles as the Joint Board and the Commission determine are necessary and appropriate for the protection of the public interest, convenience, and necessity and are consistent with this chapter."

<sup>&</sup>lt;sup>20</sup> Universal Service Transformation Order ¶ 45.

<sup>&</sup>lt;sup>21</sup> 47 U.S.C. § 254(c).

<sup>&</sup>lt;sup>22</sup> 47 U.S.C. § 254(e) (emphasis added).

# B. The Commission's Support for Lifeline Broadband Should Track the Legal Authority Set Forth in the Universal Service Transformation Order

If the Commission decides to reinstate the information service classification of broadband in this proceeding, it should look to the statutory provisions discussed above and their application in the Universal Service Transformation Order for the legal authority to continue supporting Lifeline broadband as it has proposed in the NPRM. Based on that precedent, which was upheld by the Court of Appeals for the Tenth Circuit, the Commission should condition receipt of Lifeline funds on Lifeline ETCs continuing to provide broadband service.

In the Universal Service Transformation Order, the Commission determined that it had clear legal authority in section 254 to use universal service funds to support broadband services provided by ETCs, even though at the time broadband service was classified as a Title I information service and not a Title II telecommunications service. The Commission determined that it had "a 'mandatory duty' to adopt universal service policies that advance the principles outlined in section 254(b)" and "authority to 'create some inducement' to ensure that those principles are achieved." Further, the Commission explained "Congress made clear in section 254 that the deployment of, and access to, information services – including 'advanced' information services – are important components of a robust and successful federal universal service program." The Commission did not add broadband to the list of supported services pursuant to section 254(c)(1). Rather, the Commission found that "Section 254 grants the Commission clear authority to support telecommunications services and to condition the receipt

<sup>&</sup>lt;sup>23</sup> Universal Service Transformation Order  $\P$  65.

<sup>&</sup>lt;sup>24</sup> *Id*.

of universal service support on the deployment of broadband networks, both fixed and mobile, to consumers "25"

The same authority and obligations of section 254 apply to making broadband service affordable through the Lifeline program. The Commission has a mandatory duty to advance the principles outlined in section 254(b), including that low-income consumers have access to advanced telecommunications and information services (broadband) and the Commission can create an inducement for ETCs to achieve those principles by conditioning Lifeline support on the provision of broadband service.

When the CAF broadband requirement was challenged, the Court of Appeals for the Tenth Circuit upheld the Commission's interpretation of section 254.<sup>26</sup> The Court recognized the clear principles in section 254(b), but also responded to the criticism that section 254(c) restricts universal service support to telecommunications services only. The court disagreed and found that,

nothing in the language of subsection (c)(1) serves as an express or implicit limitation on the FCC's authority to determine what a USF recipient may or must do with those funds. More specifically, nothing in subsection (c)(1) expressly or implicitly deprives the FCC of authority to direct that a USF recipient, which necessarily provides some form of 'universal service' and has been deemed by a state commission or the FCC to be an eligible telecommunications carrier under section 47 USC §214(e), use some of its USF funds to *provide services* or build facilities related to services that fall outside of the FCC's current definition of 'universal service.' In other words, nothing in the statute limits the FCC's authority to place conditions, such as the broadband requirement, on the use of USF funds.<sup>27</sup>

<sup>&</sup>lt;sup>25</sup> *Id.*  $\P$  60.

 $<sup>^{26}</sup>$  See Direct Commc'ns. Cedar Valley, LLC v. FCC (In re FCC 11-161), 753 F.3d 1015, 1046-54 (10th Cir. 2014).

<sup>&</sup>lt;sup>27</sup> *Id.* at 1046 (emphasis added).

Moreover, the Court determined that the language in section 254(e) requiring carriers to use universal service support only for the provision, maintenance and upgrading of facilities and services "for which the support is intended" is not narrowly limited, but rather "was intended as an implicit grant of authority to the FCC to flesh out precisely what 'facilities' and 'services' USF funds should be used for."<sup>28</sup> Tying all of the statutory provisions together, the Court found that,

By interpreting the second sentence of §254(e) as an implicit grant of authority that allows it to decide how USF funds shall be used by recipients, the FCC also acts in a manner consistent with the directive in §254(b) and allows itself to make funding directives that are consistent with the principles outlined in §254(b)(1) through (7).<sup>29</sup>

These same statutory provisions apply to both CAF and Lifeline and the Commission's legal authority and mandate to implement the principles in 254(b) through both programs are the same. The Tenth Circuit's holding in Cedar Valley v. FCC makes clear that the Commission can continue to provide universal service funds, including CAF and Lifeline funds, to ETCs conditioned upon the provision of broadband service.

### C. The Commission Has Granted Blanket Forbearance from the "Own Facilities" **Requirement to Lifeline Providers**

The Universal Service Transformation Order did primarily reference the Commission's authority to support broadband networks or facilities and the new universal service principle adopted in the Universal Service Transformation Order pursuant to section 254(b)(7) says universal service support should be directed to networks that provide advanced services.

<sup>&</sup>lt;sup>28</sup> *Id.* at 1047.

<sup>&</sup>lt;sup>29</sup> *Id.* Again, one of those principles is §254(b)(3), which states "Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services...."

However, the Restoring Internet Freedom NPRM, provisions of section 254 and the Tenth Circuit in the *Cedar Valley v. FCC* case clearly recognize the Commission's authority to support broadband *services* and facilities.

Further, while the Lifeline program helps to demonstrate demand and return on investment for the facilities that support voice and broadband services, it is not a facilities program. Rather, the Lifeline program addresses affordability, which is why the Commission has a longstanding policy of facilities forbearance in the Lifeline program. Today, approximately 85 percent of Lifeline subscribers are served by non-facilities-based service providers.

Since 2005, the Commission has granted forbearance from the facilities requirement for Lifeline service providers culminating in the blanket grant of such forbearance in the 2012 Lifeline Reform Order. In that order, the Commission determined that "[r]equiring Lifeline-only ETCs to use their own facilities to offer Lifeline service does not further the statutory goal of the low-income program." To our knowledge, the Commission has never fully reversed a blanket forbearance decision, either granted by the Commission or by operation of law, in order to impose more regulations on some or all market participants. This makes sense, as the Commission itself has recognized that "modifying or reversing forbearance once granted . . . should be taken with great care." Therefore, while the Commission found in the Universal

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<sup>&</sup>lt;sup>30</sup> Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice Of Proposed Rulemaking, FCC 12-11, ¶ 377 (2012) (2012 Lifeline Reform Order).

<sup>&</sup>lt;sup>31</sup> See Business Data Services in an Internet Protocol Environment, et al., WC Docket No. 16-143 et al., Report and Order, FCC 17-43 (rel. Apr. 28, 2017) ¶ 174. In the one unique instance where the Commission reassessed a forbearance decision—in the context of a deemed-granted forbearance petition from Verizon related to its enterprise broadband services—it only partially reversed forbearance for the narrowly tailored purpose of ensuring a level playing field among

Service Transformation Order that it could support broadband facilities, there is ample statutory flexibility to support non-facilities-based Lifeline broadband services and the Commission has a more than decade old policy of not requiring Lifeline ETCs to provide service using their own facilities.

# III. THE COMMISSION CAN SUPPORT LIFELINE STANDALONE BROADBAND SERVICES EVEN AFTER PHASE OUT OF SUPPORT FOR LIFELINE VOICE TELEPHONY SERVICE

Consistent with Commission precedent in the Universal Service Transformation Order, we argue herein that the Commission can condition ETC's receipt of Lifeline universal service funds on providing broadband service in addition to voice service. However, unlike in the CAF context, the Commission's rules state that support for the underlying voice service will be phased out by 2021. However, pursuant to recent Commission precedent, the agency can continue to support standalone broadband Lifeline service when that occurs.

The Commission's current Lifeline rules provide support for either voice or broadband service provided to eligible low-income consumers as long as they meet certain applicable minimum service standards (MSS).<sup>32</sup> Lifeline ETCs can provide standalone voice, standalone

market participants. *See id.* ¶¶ 174, 177. We are not aware of a situation in which the Commission has reversed forbearance in order to create an uneven playing field, tipping the market against some providers (e.g., non-facilities-based providers) in favor of others (e.g., facilities-based providers), at the expense of broadband access, consumer choice, competition, innovation, and similar public interests. In fact, the Commission has recognized that doing so would be contrary to the public interest. *See id.* ¶ 177 (finding that "disparate treatment of carriers providing the same or similar services is not in the public interest as it creates distortions in the marketplace that may harm consumers.").

<sup>&</sup>lt;sup>32</sup> See 47 C.F.R. §§ 54.403, 54.408. Several parties have petitioned the Commission to reconsider the MSS. See Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42, et al., Joint Lifeline ETC Petitioners' Petition for Partial Reconsideration and Clarification, at 3-10 (filed June 23, 2016) (Joint Petitioners Petition); Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42, et al., Petition for Reconsideration of CTIA, at 2-8 (filed June 23, 2016); Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42, et al., TracFone Petition for Reconsideration, at 6-18 (filed June 23, 2016) (TracFone Petition); Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42, et al., Petition for Reconsideration/Clarification of NTCA-The Rural Broadband Association

broadband or a bundle of voice and broadband and receive support, as long as at least one of the services meets the applicable minimum service standards (MSS). As discussed above, the Commission can condition ETC's receipt of Lifeline universal service funds on providing broadband service. However, the Lifeline rules do not require consumers to purchase both voice and broadband services. As of December 1, 2021, the rules provide that the Commission will no longer support standalone voice service or bundles that do not include broadband service that meets the applicable MSS.<sup>33</sup> Several parties have petitioned the Commission to reconsider that decision and the Coalition supports those petitions.<sup>34</sup> Retaining Lifeline support for voice telephony service would retain equal footing for Lifeline and the CAF for purposes of the legal authority to support broadband as a condition of receipt of support for other services as discussed herein.

Even if the Commission does phase out support for Lifeline voice telephony service, the Commission can continue to provide support for standalone broadband service pursuant to its recent precedent supporting standalone broadband services for rate of return ETCs. In a 2016 order, the Commission modified its CAF rules for rate of return carriers to permit them to receive CAF funds for standalone broadband service.<sup>35</sup> In the Order, the Commission corrected

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and WTA – Advocates for Rural Broadband, at 6-12 (filed June 23, 2016) (NTCA & WTA Petition); *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket No. 11-42, et al., United States Telecom Association Petition for Reconsideration and Clarification, at 15-16 (filed June 23, 2016).

<sup>&</sup>lt;sup>33</sup> See 47 C.F.R. § 54.403(a)(2)(iv).

<sup>&</sup>lt;sup>34</sup> See Joint Petitioners Petition at 9-11; Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42, et al., NASUCA Petition for Reconsideration, at 3-4 (filed June 23, 2016); NTCA & WTA Petition at 6-10; TracFone Petition at 4-5; see also Lifeline and Link Up Reform and Modernization, et al., WC Docket No. 11-42, et al., Joint Lifeline ETC Respondents' Opposition to Petitions for Reconsideration, 13-15 (filed July 29, 2016).

<sup>&</sup>lt;sup>35</sup> See generally Connect America Fund, et al., WC Docket No. 10-90, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, FCC 16-33 (rel. Mar. 30, 2016) (2016 CAF Order).

a shortcoming in its existing rules that would deny CAF support where "consumers cho[se] to drop voice service, often referred to as 'stand-alone broadband' or 'broadband-only' lines." Specifically, the Commission modified its rules to "provide support for broadband-capable loops in an equitable and stable manner, regardless of whether the customer chooses to purchase traditional voice service, a bundle of voice and broadband, or only broadband." The Commission noted that its determination was consistent with the requirements of section 254 of the Act to support network investment "regardless of what services are ultimately purchased by the customer." The Republican Commissioners, then-Commissioner Pai and Commissioner O'Rielly, supported the change. Concurring with the ruling, then-Commissioner Pai noted the fact that he had supported a stand-alone broadband solution for years, and highlighted the dilemma that rate of return carriers had faced:

Th[e existing] regulatory system . . . put some carriers to a Hobson's choice. On one hand, they can offer stand-alone broadband—which urban consumers have and rural consumers want—and lose universal service support. On the other, they can deny consumers the option of an Internet-only service, and risk them dropping service altogether (which they increasingly are). The net result is that rural carriers hold back investment because they are unsure if they can deploy the next-generation services that consumers are demanding. <sup>39</sup>

The Commission has recently recognized its authority to provide universal service support to ETCs for standalone broadband service. This precedent should be applied to Lifeline support if and when support for voice telephony service is phased out in 2021.

<sup>&</sup>lt;sup>36</sup> *See id.* ¶ 3.

<sup>&</sup>lt;sup>37</sup> *See id.* ¶ 5.

<sup>&</sup>lt;sup>38</sup> See id. ¶ 89 ("Consistent with our authority to encourage the deployment of the types of facilities that will best achieve the principles set forth in section 254(b), [the Order] will allow carriers to receive federal high-cost universal service support for their network investment regardless of what services are ultimately purchased by the customer.").

<sup>&</sup>lt;sup>39</sup> See id., Pai Concurrence at 1.

# IV. IN ADDITION TO EXPRESS STATUTORY AUTHORITY, THE COMMISSION ALSO HAS TITLE I ANCILLARY AUTHORITY TO SUPPORT LIFELINE BROADBAND

In addition to the express authority in section 254 to support Lifeline broadband, the Commission has Title I ancillary authority to support Lifeline broadband. Section 154(i) of the Act provides that "The Commission may perform any and all acts, make such rules and regulations, and issue such orders, not inconsistent with this chapter, as may be necessary in the execution of its functions." The two-part test for the Commission to exercise its ancillary authority is: "(1) the Commission's general jurisdictional grant under Title I covers the subject of the regulations and (2) the regulations are reasonably ancillary to the Commission's effective performance of its statutorily mandated responsibilities."

Commission support for Lifeline broadband meets both prongs of the test to regulate pursuant to Title I ancillary authority. First, even if the Commission determines that broadband is not a "telecommunications service," it remains "interstate and foreign communication by wire or radio," over which the Commission holds general jurisdiction under Title I. Second, supporting broadband using universal service funds is reasonably ancillary to the Commission's effective performance of its statutorily mandated responsibility in section 254(b)(3) of the Act to ensure that "Consumers in all regions of the Nation, including low-income consumers...have access to advanced telecommunications and information services." Therefore, in addition to the express mandate and authority to support Lifeline broadband found in section 254 of the Act,

<sup>&</sup>lt;sup>40</sup> 47 U.S.C. § 154(i).

<sup>&</sup>lt;sup>41</sup> American Library Ass 'n v. FCC, 406 F.3d 689, 700 (D.C. Cir. 2005).

<sup>&</sup>lt;sup>42</sup> 47 U.S.C. § 152(a) ("The provisions of this chapter shall apply to all interstate and foreign communication by wire or radio....").

<sup>&</sup>lt;sup>43</sup> 47 U.S.C. § 254(b).

the Commission has Title I ancillary jurisdiction to continue to support Lifeline broadband even if the Commission decides to reinstate the information service classification of broadband Internet access services in this proceeding.

#### V. CONCLUSION

For the reasons discussed herein, the Coalition supports the Commission's proposal in the NPRM to "maintain support for broadband in the Lifeline program after reclassification." The Commission has an express statutory mandate and authority to support Lifeline broadband in section 254 of the Act, and Commission precedent supports providing broadband reimbursement to non-facilities-based Lifeline providers, including for standalone broadband services after support for Lifeline voice telephony service is phased out. In addition, the Commission has Title I ancillary authority to support Lifeline broadband because broadband is within the Commission's general jurisdictional grant in Title I and supporting Lifeline broadband would be reasonably ancillary to the Commission's statutorily mandated responsibility to ensure that all consumers, including low-income consumers have access to advanced telecommunications and information services.

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